

Message Text

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PAGE 01 LA PAZ 04488 302139Z

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TAGS: EINV, EAGR, BL

SUBJ: CHARLES STOKES OPIC APPLICATION

(A) LA PAZ 7315; (B) STATE 150343

1. EMBASSY CONTINUES TO BELIEVE THAT OPIC SHOULD NOT RPT NOT
INSURE STOKES' INVESTMENT OF LAND IN BOLIVIA. WE CITE HERE TWO
ADDITIONAL REASONS TO THOSE RECORDED REFTEL (A) AND PREVIOUS:

(1) IT APPEARS FROM OUR RESEARCH THAT DEFINITION OF "LAND"
IN BOLIVIAN LAW INCLUDES IMPROVEMENTS, BUILDING, EQUIPMENT USED
TO WORK LAND, AND AT LEAST CERTAIN TYPES OF ANIMALS FOUND
ON LAND. SEE BOLIVIAN CIVIL CODE SECOND BOOK, TITLE I,
CHAPTER I, ARTICLE 273 WHICH SPECIFICALLY MAKES THIS IDENTIFI-
CATION. THIS DEFINITION IS CONSISTENT WITH GENERALLY ACCEPTED
BOLIVIAN VIEW THAT LAND HAS AN ECONOMIC AND SOCIAL FUNCTION
AND THUS WHICH MAKES LAND AN ECONOMIC UNIT IS PART OF THE
LAND. THUS STOKES' DISTINCTION REFTEL B DOES NO SEEM VALID
TO US.

(2) DRAFT OF NEW AGRARIAN REFORM LAW PUBLISHED IN JULY AND
NOW UNDER DISCUSSION WITHIN GOVT. HAS PROVISION WHICH BANS
REMITTANCE ABROAD OF EITHER PROFITS FROM LAND OR CAPITAL
PREVIOUSLY INVESTED IN LAND. THUS, ONCE INVESTMENT MADE CAPITAL
COULD NEVER BE REPATRIATED IF LAW ADOPTED. MOREOVER, PREFACE
OF DRAFT STATES PRINCIPAL PURPOSES OF LAW INCLUDE LIMITING
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PAGE 02 LA PAZ 04488 302139Z

ACCUMULATION OF LARGE TRACTS IN TROPICAL LOWLANDS AND ENCOURAGING

MOVEMENT OF POPULATION TO LOWLAND AREA. WHILE THESE LATTER GOALS MAY BE APPROPRIATE BOLIVIAN DEVELOPMENT OBJECTIVES, THEY INDICATE THAT BOLIVIA'S HISTORY OF LAND CONTROVERSIES WILL REACH LOWLAND TO AN INCREASING DEGREE, SOONER RATHER THAN LATER. AG MINISTER NATUSCH BUSCH HAS MADE RECENT REFERENCE TO AGITATION AMONG CAMPESINOS IN LOWLANDS. STOKES MIGHT MAKE PROFITABLE INVESTMENT IN BENI BUT EMBASSY DOES NOT BELIEVE OPIC SHOULD BECOME INVOLVED. (AIRGRAM ANALYSIS OF AGRARIAN REFORM DRAFT NOW IN PREPARATION.)

2. CONTRARY TO PARA 1 REFTEL EMBOFF DID NOT GIVE STOKES' LAWYER SUBIETA FAVORABLE REACTION TO POSSIBILITY OF HAVING U.S. GOVERNMENT CORPORATION INVOLVED IN INSURING MOVABLE INVESTMENT ON LAND IN BOLIVIA. SUBIETA HAS COME TO EMBASSY SEVERAL TIMES ALLEGING THAT STOKES HAS DETERMINED HIS OPIC APPLICATION BEING BLOCKED BY EMBOFFS AND INSISTING THAT EMBASSY GIVE APPLICATION FAVORABLE CONSIDERATION. SUBIETA ASKED ON ONE OCCASION WHETHER NEW APPLICATION FOR MOVABLE GOODS WOULD BE ACCEPTABLE. EMBOFF REFUSED TO OFFER JUDGEMENT BUT DID SAY THAT EMBASSY WOULD LIKELY TO BE ASKED TO COMMENT IF APPLICATION CHANGED AND WOULD TAKE UNPREJUDICED LOOK AT NEW FACTS. WE HAVE REVIEWED CHANGES IN STOKES' APPLICATION AND NOW STRONGLY RECOMMEND INSURANCE NOT RPT NOT BE GRANTED.

3. FYI. JOHN GURR OF OPIC CALLED ECONOFF WHITING JUNE 20. HE SAID STOKES WILL SOON BE TRAVELING TO CHILE AND EVENTUALLY LA PAZ. STOKES WILL BE SEEKING INTERVIEW WITH AMBASSADOR STEDMAN. GURR WAS DEFINITELY UNDER MISTAKEN IMPRESSION THAT EMBASSY HAD GIVEN SOME SORT OF APPROVAL TO INSURANCE FOR MOVEABLE IMPROVEMENTS ON LAND STOKES WILL PURCHASE. STEDMAN

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